

June 10, 2015

Item No. 9

AUTHORIZATION TO 1) SELECT THE COMMUNITY BUILDERS, INC. AND MCCAFFERY INTERESTS, INC. AS THE DEVELOPMENT TEAM FOR THE REDEVELOPMENT OF HAROLD ICKES HOMES; 2) ENTER INTO A CONTRACT FOR REDEVELOPMENT WITH THE DEVELOPMENT TEAM; AND 3) EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND PERFORM SUCH ACTIONS AS MAY BE NECESSARY TO IMPLEMENT THE FOREGOING

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (“Board”) authorize the Chief Executive Officer (“CEO”) or his designee to 1) Select The Community Builders, Inc. and McCaffery Interests, Inc. as the development team for the redevelopment of Harold Ickes Homes; 2) Enter into a Contract for Redevelopment with the development team; and 3) Execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing.

PLAN FORWARD GOAL

Reimagine the final phase of the Plan for Transformation, coordinating public and private investments to develop healthy, vibrant communities.

FUNDING

N/A

SOLICITATION SUMMARY

Solicitation Release Date: 10/03/14

Vendor: A to be formed limited liability company consisting of The Community Builders, Inc. & McCaffery Interests, Inc. **Days Advertised:** 90 **Addendum(s):** 11/24/14, 11/26/2014 & 12/17/14 **Pre-Proposal Meeting:** 10/20/14 **Solicitation Due Date:** 01/05/15

Publication(s): Chicago Sun-Times, Chicago Defender, Extra Newspaper, Strategic Sourcing Online and CHA's website

Notification to Assist Agencies: 66 **Number of Vendors Solicited:** 285 **Number of Pickups:** 0 **Number of Respondents:** 5

Base Contract Amount: N/A

Base Contract Period: N/A

Option Period N/A

M/W/DBE Participation:

Direct: MBE ____% WBE ____% DBE ____%

Indirect: MBE 32.13% WBE ____% DBE ____%

Section 3:

(#) Hiring: 1 (\$) Subcontracting (%) Other Economic Opportunities

GENERAL BACKGROUND

The Harold Ickes Homes (“Ickes”) development was originally situated on approximately 18 acres within the near south side community area of the city of Chicago and was located between 22nd Street (North), State Street (East), 25th Street and 24th Street (South) and Dearborn and Federal Street (West). Ickes is named after Harold L. Ickes, who was Secretary of the Interior during President Franklin D. Roosevelt’s administration. Ickes opened in 1955 and was designed by the prominent Chicago-based architectural firm Skidmore, Owings & Merrill. The Ickes development consisted of eleven buildings with 1006 total units and the demolition of all buildings was completed in 2010.

The Board and the U.S. Department of Housing and Urban Development has previously approved the disposition, by land exchange, of the portion of Ickes located between 22nd (North), Dearborn (East), 24th Street (South), and Federal Street (West) for land needed for the development of mixed income communities within other CHA developments. The remaining Ickes revitalization site is situated on approximately 11.30 acres and is bounded by 22nd Street (North), State Street (East), 25th Street (South), and Dearborn Street (West).

It is the intent of the Chicago Housing Authority (“CHA”), in collaboration with the City of Chicago Department of Planning and Development (“DPD”) to implement a smart growth, public-private revitalizing plan that will create a vibrant Harold Ickes community. The urban revitalization efforts will place a strong emphasis on a high quality mix of residential and commercial on the target development site.

The Ickes development site is very conveniently located at a crossroads of many transportation opportunities. It is adjacent to the Stevenson Expressway, less than a mile from the Dan Ryan/Kennedy Expressway interchange, and just a few blocks from Lake Shore Drive. By public transit – the Chicago Transit Authority (“CTA”) Red Line train and CTA six separate bus lines – it is just a few minutes from the Loop or from the neighborhoods to the South and West. Additionally, there is a new CTA Green Line stop near Cermak Road and State Street.

On October 3, 2014, the CHA issued a Request for Proposals (RFP) for a developer for the Harold Ickes Homes revitalization program. The RFP required development teams to provide a minimum of 200 public housing units to be developed as part of the total income mix. The RFP requested that developers propose a mixed-income, mixed-use residential development establishing a welcoming, diverse neighborhood that promoted healthy living and empowerment via education, economic development and civic participation. The RFP recommended that revitalization proposals provide

for both rental and for sale options including affordable homeownership. It also recommended that developers' proposed plan foster retail/commercial and small business development for local job creation.

Under the solicitation, the corner of Cermak Road and State Street was identified to anchor the retail/commercial element of the Harold Ickes revitalization site. The RFP placed special emphasis on this corner as a transit hub, to maximize retail frontage for ground floor tenants and increased density with a maximum building height comparable to surrounding building structures. The final retail square footage and housing unit breakdown shall be determined through the predevelopment process.

The CHA received five (5) responses, evaluated written proposals and conducted oral presentations. The Community Builders, Inc. and McCaffery Interests, Inc., ("TCB-MI") pursuant to a joint venture agreement executed December 18, 2014, submitted a proposal to construct approximately 867 residential units and approximately 42,500 to 66,500 square feet of new commercial/retail space. Based on the RFP evaluation process, TCB-MI is the recommended development team for Ickes. TCB-MI intends to form TCB-MI Ickes, LLC, a to be formed Illinois limited liability company, to be the developer legal entity. The development team will assume responsibility of the overall development process, including but not limited to predevelopment work, design and site planning, infrastructure and utilities planning, site preparation, environmental engineering and remediation, preparing funding applications, assembling financing, obtaining necessary governmental approvals such as zoning and building permits, LEED certification at a minimum of Silver level, marketing, leasing units, ongoing property management and community and supportive services. Completion of the entire redevelopment in a timely fashion is critical.

The Board action recommended in this item complies in all material respects with all applicable CHA Board policies and all applicable federal procurement laws.

The Chief Property Officer concurs with the recommendation to 1) Select The Community Builders, Inc. and McCaffery Interests, Inc. as the development team for the redevelopment of Harold Ickes Homes; 2) Enter into a Contract for Redevelopment with the development team; and 3) Execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing.

The CEO/President recommends the approval to 1) Select The Community Builders, Inc. and McCaffery Interests, Inc. as the development team for the redevelopment of Harold Ickes Homes; 2) Enter into a Contract for Redevelopment with the development team; and 3) Execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing.

RESOLUTION NO. 2015-CHA-53

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated June 10, 2015 entitled Authorization to 1) Select The Community Builders, Inc. and McCaffery InterestS, Inc. as the development team for the redevelopment of Harold Ickes Homes; 2) Enter into a Contract for Redevelopment with the development team; and 3) Execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) Select The Community Builders, Inc. and McCaffery Interest, Inc. as the development team for the redevelopment of Harold Ickes Homes; 2) Enter into a Contract for Redevelopment with the development team; and 3) Execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident and insurance requirements.



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